Measure Provides for Sweeping Reorganization of Transport System.

GOES TO SENATE TO-DAY

Unification Plans Will Meet Advances in Federal Regulation.

Special Despatch to THE SUN. MARKINGTON, Oct. 22.—Legislation reming the railroads to their owners and oviding for sweeping reorganization of a transportation system of the country d to meet advances in the scheme of deral regulation will be introduced in Sensite to-movem by Sensite Com-

been under the study of his com-

to ready until next week. Senator Cummins is engaged in its preparation and states that it will be a lengthy presenta-tion of the case for the measure. Meanshile, he discussed the measure at length with The SUN correspondent to-day and outlined its policies and provisions. He expressed the hope that it will pass the e before the end of the present n, but admitted that he had no ex-tion that it would pass the House until well into the next session. In explaining the measure, Senator Cummin

ous legislative measures brought bertation problem in a more manner than has ever beet empted in a single measure. It cov-the entire reorganization of the railroad systems of the country, provides for coordination of the rail and water transport systems inside the United tates, and for intimately corelating the railroad system with the maritime transsystem which, under the Amer ican flag, reaches to the entire wor In short the afm is nothing less than reanize together in one gigantic unity er effective Federal control all the strumentalities of river, canal, rail and ocean transportation, and to sub-ject them to Federal administrative au-thority.

years the indebtedness of the railroads to it on account of moneys advanced, chargeable to capital account. That is, advances by the Government to the companies during the period of Federal control which were expended in additions and betterments will not be required to be repaid immediately, but the Government will take evidences of and securities for the companies indebtedness to it. Advances of this character amount to about \$1,200,000,000. The figure may prove less, but the accounts are not nearly up to date and only approximation is now possible.

owes to the rallways for services rendered. In addition to these amounts certain other advances made by the Government, amounting to probably about \$\$00,000,000, will be carried by the Government on demand notes of the companies at 6 per cent. These last mentioned advances represent expenses that walls he is a last mentioned advances represent expenses that walls he is a last mentioned advances represent expenses that walls he is a last mentioned advances represent expenses that walls he is a last mentioned advances represent expenses that walls he is a last mentioned advances represent expenses that walls he is a last mentioned advances represent expenses that walls he is a last mentioned advances represent expenses the interval of the int panies to the Government will be de-ducted amounts which the Government ned advances represent expenses suld have been paid from current come if the income had been sufficient.
"Also the bill provides for return of

working capital that was taken over with the roads. It is not yet possible to state what the amount is, but the bill states that the amount to be returned unt shall in no case exceed

The bill provides for the return of the roads to their proprietary companies at midnight of the last day of the month in which the bill shall become law. It undertakes to reorganize the regulation system so as to eliminate the difficulties of the old system of railroad Under that system different

"A road with a large earning power, in competition with another having a small earning power, might earn 15 per cent, on its investment, while the poorer road, on exactly the same schedule of rates, would earn perhaps 3 or 2 or 1 per cent. The committee has concluded that the old regulatory plan was a fail-ure because of the discrepancies in the ing capacity. The policy of the bill gnizes that the only way to remove e discrepancies was through consoli-in. If all the roads could be consolidated under a single corporation the problem of adjusting rates would be perfectly simple. That plan was re-sected, and then the alternative was to consolidate the roads into a fixed numher of systems, each being able in the their capital.

Distribution of Lines.

"Accordingly the bill provides that the than twenty nor more than thirty-five morce Commission are greatly enlarged systems. This distribution shall be made as to dealing with the division of joint after a careful inquiry in which the rates among two or more companies, in companies, investors, the States, business order to enable the short lines to earn interests and every other interest con- living returns. The committee became cerned will be entitled to hearings. The convinced that the short lines have not plan will preserve competition in ser-vice, which the committee has been convinced is very necessary. Thus between New York and Chicago it is expected there will be four or five competing rystems preserving the incentive to the best possible service. The committee is convinced that unification in a single system under private ownership is impracticable, while unification ownership was rejected at the out-

set, not more than one member of the The foregoing states the underlying principle of the legislation. To accom-plish it in operation the bill provides for the creation of a railway transportation board of five members appointed by the President at \$12,000 per annum. This board shall immediately on organization take up the question of organization take up the question of organizing the roads in systems. When
ganizing the roads in systems. When

ever the questions of value and capitalization and insure that hereafter the charge that railway capitalization is extensively watered may be put at rest."

Under these voluntary consolidations the capitalization must be equal to the aggregate value of properties consolidated, as fixed by the Interstate Commerce Commission under the railway valuation legislation now in force. Thus when it is complete the total of all securities will exactly equal the value of all the properties as thus determined. The same rules will apply in making the compulsory consolidations which are provided for after the expiration of the seven year period, if not all the roads even year period, if not all the roads ave before that been included in the countary concolidations.

Pull Authority for U. S.

"No consolidation may be carried out No consolidation may be carried out unless the owning company is Federally incorporated, giving the United States full authority over it. When the period of seven years has expired and the time comes for the compulsory consolidation the railway transportation board will have mover to secure the incorporation of have power to secure the incorporation of companies required to complete the scheme of consolidation. Back of all this is the power of condemnation of either the railway properties or their

eccurity.
"Meantime, pending the completion of "Meantime, pending the completion of this scheme, in order to protect the pub-lic and also the weaker roads, the Inter-state Commerce Commission is required to divide the country into rate making districts. A new power of transporta-tion regulation enters here. The com-mission is required to see that the rates prescribed for each rate district shall be, as nearly as possible, only sufficient to as nearly as possible, only sufficient to produce a net operating income for all the roads in that district of 5½ per cent annually on the value of the property as determined by the Interstate Commerce Commission's valuation. It is recognized that there will be difficulties in ascer-taining this valuation, but the commis-sion is required to make the best possi-

ble approximation "Th's plan of valuation and limited urnings has not at all pleased the more profitable roads, which insist that the return is too low and it has likewise displeased some important shipping in-serests, which insist that the authorized eturn will be too high. The Commission s authorized in its discretion to increase the fixed return to 6 per cent. but the additional half per cent, is to be used for "non-productive" improvements in the properties; for example, a road having a depot that represents \$10,000 investment, desiring to replace it with one centing \$20,000 will be allowed to nay costing \$20,000, will be allowed to pay the additional \$10,000 from this fund, but amounts taken from this fund are not to be capitalized now or in the fu-

Difficult Feature Solved.

"Now comes the feature which the committee found most difficult. schedule of rates which will produce average of 5% per cent, on all the roads will enable the more prosperous companies to earn anywhere from 6 to per-haps 15 per cent. while less fortunate ones will earn much less than 5 ½ per cent. So the bill fixes a maximum, if a "The bill repeals the act of March 21, feet an operating income above 1917, except as to the provisions for settling up the problems involved in Federal control. The Government is to carry for a period not exceeding ten years the indebtedness of the railroads to it on account of moneys advanced.

"Above 7 research in aximum, if a company gets an operating income above in a company reserve fund and the other half will go to the railway transportation board as a general railroad contingent fund.

drawn upon to pay dividends or interest when the company's income falls below 5 per cent., thus insuring steady credit.

Provision for Earnings

"It is also provided, as to the maximum and minimum earning provisions, that at the end of five years from the hment of the new system and each five years thereafter the Interstate situation, and if the 51/2 and 6 per cent. the cost of operation of a road for a allowances are found too high or too month. The committee's information is low, in view of the general conditions that the aggregate of these amounts will prevailing, it shall have power to intended the preventage.

> tect the railroads against the evil of too much regulation; State commissions or other authorities will hereafter have absolutely no control over capitalization of railways, which becomes an exclusive. Federal function. This control of transportation will be exercised by the railways transportation board. The aim has portation will be exercised by the rail-way transportation board. The aim has been to relieve the Interstate Commerce Commission of some of the Commission of some of the (manifold duties heretofore imposed on it. Ac-cordingly the following functions and powers now exercised by the Interstate Commerce Commission are also trans-

"Administration of the Car Service act

"The legislation relating to construcswitch connections and side tracks. "Administration of the safety ap-pliance and other acts to promote the safety of both travellers and railway employees.
"Administration of the legislation re-

lating to the hours of service of railway "Administration of the legislation relating to the transportation of explo-sives and other dangerous articles. "Administration of the legislation for

establishment of block signal systems
"The powers of the Interstate Comconvinced that the short lines have not been getting a fair division, that they have been completely in the power of the long lines, and that they must be treated

more generously or they cannot survive Settling of Disputes.

"The procedure in settling disputes which involve State and interstate rates is set forth with much detail and it believed a plan has been perfected which will insure the end of conflicting authority in this regard. When a State tate discriminator against interstate commerce or localities the Interstate Commerce or localities the Interstate
Commerce Commission is given the complete authority to determine the matter after hearing the State authorities

According to the despatch confiscation evicted household goods on the sidewalks and obtained a special police guard for the night. The tenants will be the guests of the State until they find the state until the state until they find the state until the st as to State interests. The Interstate Commerce Commission and the State public utility commissions concerned in the project is completed the scheme of deciding the issue. The interstate comsystem organization must be submitted to and approved by the Interstate Commerce Commission.

State commissions will not participate in deciding the issue. The interstate commission is given in this connection the power to substitute a specific new relationship.

ownership.
"One of the most important features is the advance in dealing with water transportation. It is declared the national policy to encourage water trans-Commission is required to familiarise and given power to bring about the co-ordination of water and rail facilities This goes even to the extent of investi-gating types of boats adapted for various services, requiring establishment of water terminais where they will be con-venient also to the railroads and of cooperating with communities which desire to establish water terminals their dock facilities and the like

Relations With Shipping.

"Another very important advance concerns relations of the railroads with maritime shipping. The Shipping Board is about establishing a large number of coutes for sailing ships in foreign con had no touch with and practically knowledge of the conditions of over- these sugar shortage days for "be eas shipments. The committee has un dertaken to make it as easy for the ocean carrier under the American flag must file a schedule of the routes, sail ing dates, rates and charges of every oat it operates with the Interstate Con merce Commission. The commissionshall publish the substance of all the achedules and provide this publication to all agents of the railroad companies. "The cost of the transfer from rail to boat is hereafter to be absorbed by the railroad carriers under rules fixed by the

commission. The railroad shall issue a through bill of lading, showing the cost of the rail and water services separately. The railroad is required to deliver the freight on board the boat.

'The legislation dealing with settlement of labor troubles undertakes to create by permanent law substantially the same machinery for handling these disputes that is now in effect for the period of Federal railway operation. The Railway Transportation Board is given the final determination in case of disagreement. This is complete authority as to all disputes over wages, working as to all disputes over wages, working conditions and the like. The plan of boards of adjustment and committees on wages and working conditions now oper-ating under the Railway Administration s continued for handling these disputer

is continued for handling these disputes in the future. These boards are composed of equal numbers of representatives of the unions of employees and the companies. They will consider all disputes and if possible settle them by agreement; if they fall the Railway Transportation Board has final authority.

anti-strike provisions make miawful for two or more employees in connection with a dispute over anything that is subject to settlement through the plan to agree together to preventhe operation of trains and railway service, or to hinder the operation of these This applies to officers, directors, managers, agents, attorneys or employees of the carriers. To aid, abet, induce or of railway service in these circumstances is made a misdemeanor punismone by \$500 fine or six months imprisonment, or both. The committee takes the view that it should not prohibit strikes without at the same time providing a method by which the Government will assume the responsibility for the just settlement of disputes which may lead

to strikes. "The long and short haul clause was he subject of long discussion in the committee. Senator Poindexter (Wash.) urged an amendment absolutely ding a higher charge for a short entirely included within the longer. This was voted down, and the committee stituted a provision that the Interstate Commerce Commission may authorize the greater charge for the shorter haul after proper hearing and determination but that in granting this privilege charge shall be made for a haul to from the more distant points that is not fairly compensatory. In the past it has been the practice of the roads to haul the long distance business, when necessary to meet competition, at a rate merely sufficient to meet the out of pecket expense of the service. The sub-stitution for this practice of the requirenent that the rate charged shall be fairly compensatory will to a consider-able extent overcome the objections and the which intermediate points have in the water.

past raised. between two terminal points the same rate that is made by a direct and lams, the Federal Food Administrator shorter route between the same routes the longer route shall not be permitted to make rates to intermediate points on its lines within the distance rfer route higher than its terminal

BRITISH PLAN FOR EAST NAVY DEFENCE

Australians Told Annual Cost Will Be \$98,850,000.

MELBURNE, Australia, Oct. 22.-The report of Admiral Lord Jellicoe concern ing the navy defence of the Far East has been laid upon the table of the tion, maintenance and operation of Australian House of Representatives Admiral Jelficce, who has been making a tour of the British dominions and de pendencies to consider plans for their naval defence, says in the report that the naval interests of the British Em-pire probably will demand within the next five years a strong Far Eastern fleet, comprising vessels of the Royal Guardsmen Aid Some Navy, the East Indian squadron and the Australian, Canadian and New Finding Homes. Zealand navies.

Admiral Jeilicoe estimates the annual cost of the Far Eastern fleet at \$98,850,000.

PEASANTS DEMAND FERDINAND'S ARREST

Confiscation of Royal Property Also Is Urged.

GENEVA, Oct. 22.—A despatch received here from Belgrade, Serbia, says the powerful peasant party in Buigaria, demands the arrest and trial of King Ferdinand, and also of former Premier Radoslavoff and Mallnoff as being responsible for the war and leading Bulgaria into misery and the loss of provinces.

According to the despatch confiscation of all the royal possessions also is de-

FOURTEEN BURNED IN BLAST.

Two Missing and Four May Die

After Baltimore Accident. BALTIMORE, Oct. 22.-Fourteen mer

WILLIAMS LOCATES

Finds Man With 5,000 Tons for Sale at 18 3-4 Cents a Pound.

IT QUICKLY DISAPPEARS

J. F. Dempsey, 25 Pearl Street, Proves He Is Lacking in Salesmanship.

Arthur Williams, Federal Food Adninistrator, finds the "fishing good" in men apparently eager to break the Federal food laws by selling sugar at far in excess of the Government price.

He landed yesterday another broker who demanded 18% cents per pound for 10,000,000 pounds of sugar, and, like his oig catch of the day before. the broke attempted to do business over the phone with none other than the Federal Food Administrator himself.

The man who got the shock was J. F. Dempsey of Aber & Dempsey, 25 Pearlstreet, telephone 7.169 Bowling Green.
Mr. Williams said last night he is amazed at the immense quantities of which seemingly are floating Sugar around the down town market. The facthat the offerings are made by men who know how to talk business and have real business ways about them, he ways, convinces him that they really have sugar to sell and are not dealing in "rainbowa" However, every time Mr. Williams gives cornered would be sugar rechants a chance to be pariotic and fees up so that the hoarded sugar may be distributed locally to relieve the stringency they look him straight in the eye and solemnly declare they the eye and solemnly declare they haven't the slightest idea where their sugar is stored.

Seven Make Offer.

Williams says that seven differe men admitted to him each had made bona fide offers for the 2,000,000 pounds of sugar which Leo W. Hammel of 95 Liberty street tried to sell him over the telephone on Tuesday. The adminis-trator still is looking for the sugar and all the other men in the chain profited in the trade.

quiries yesterday from persons shed to know how to proceed to local distribution sugar originally was purchased for export.
"Both men asked me if it was legal for them to sell their contracts for export. to people who were willing to distribute

the sugar locally," Mr. Williams said.
"It is my opinion this sugar was bought
by speculators and not for export. Now omebody is getting scared."

It was possible for Mr. Williams to atch his daily sugar broker yesterday by means of a tip from a man to who an offer of a part of the 10,000,000 pounds at 18% cents was made. "Call up Mr. Levy, 6272 Bowling Green," Mr. Williams was informed.

"and he will put you next."

Mr. Levy, who has an office at 25

Pearl street, answered Mr. Williams's "Wait a minute," said Mr. Levy to the Food Administrator. "Til get the man who can tell you about the sugar."

Mr. Williams held the phone and his breath and in a little while Mr. Levy murmured into the receiver: "Let me introduce you to Mr. Dempsey of Aber

Williams as the receiver changed ears.

Then Dempsey went 11 it. He was al

Williams says. He declared he was dealing with the princi-pal and had 10,000,000 pounds of sugar to sell. He demanded that a certified check be planked down and the sugar would be delivered. After Dempsey had swallowed bait and sinker Mr. Williams gave a yank and the fish came right out of the

"All right, Mr. Dempsey!" said Mr. Williams," please come to 130 East Fit-teenth street at 4:30 P. M. this afternoon and see me This is Arthur Will-

Mr. Dempsey reported early. Mr Levy was with him. Mr. Williams asked many questions designed to uncover the sugar. But Mr. Dempsey avowed he didn't know where the sugar is. He was the coal end of his firm and Mr. Aber handled the sugar. The sugar in Dempsey by a Mr. Hainer of Miles sey by a Mr. Haines or Heims, with \$500,000 for sabotage. who had been introduced to the firm by a Mr. Dunn of the Irving National

putting Aber & Dempsey in touch with

EVICTED FAMILIES USE ARMORY KITCHEN

out in the Twelfth Regiment Armory had for breakfast yesterday porridge, bread and butter and army coffee, cooked in the armory kitchen, and while the women folks were making the barracks tidy and taking the kids out for a walk the men began the dreary round of walk the men began the dreary round of the walk there never was a time bitterness that there never was a time The evicted tenants who are camping walk the men began the dreary round of hunting houses. Their job was made hunting houses. Their job was made easier by the guardemen detailed by Col. Hurr to track down advertisements and other vessel was not sunk and matters leads furnished by real estate houses. In the morning Washington Heights and Brooklyn were ransucked for homes and

D. M. McBEAN LEFT \$213,068.

Appraiser Reports on Estate of

Well Known Engineer. the project is completed the scheme of system organization must be submitted mission is given in this connection the to and approved by the Interstate Commission.

"A period of seven years from the I has never had this power heretofore.

"The interstate commission is given board the Standard Oil tanker W. H. I has never had this power heretofore. Tilford at the yards of the Haltimore tary consolidation into these prescribed power to name minimum as well as to-day. Two men are missing and four power to name minimum as well as to-day. Two men are missing and four February, 1918, according to the Transparency for convenience of the submitted must be submitted were badly burned or otherwise seriously injured by an explosion of gas on revolutionized modern tunnel construction and whose numerous engineering feats remain as monuments to his genius, power to name minimum as well as to-day. Two men are missing and four February, 1918, according to the Transparency for convenience ments of the power to substitute a specific new rates outly injured by an explosion of gas on revolutionized modern tunnel construction and whose numerous engineers.

The interstate commission is given to substitute a specific new rates outly injured by an explosion of gas on revolutionized modern tunnel construction and whose numerous engineers.

The interstate commission is given to substitute a specific new rates outly injured by an explosion of gas on revolutionized modern tunnel construction and whose numerous engineers.

The interstate commission is given to substitute a specific new rates outly injured by an explosion of gas on revolutionized modern tunnel construction. tary consolidation into these prescribed systems. Any railroad company may apply for consolidation with another, but all these voluntary consolidations must harmonize with the general plant so that the process shall lead to the perfected scheme of consolidation as outlined in the measure. These voluntary consolidations must be approved by the Railway Transportation Board and based on valuations fixed by public authority, the aim being to settle for-

FIRST AIR FREIGHT IS HERE-HAIR TONIC

VAST SUGAR HOARD 360 Pounds Brought by Easy Stages From Buffalo.

To three dosen packages of hair tonic belongs the honor of being the first freight ever transported by airplane between Buffalo and New York city. The hair tonic, weighing 360 pounds, arrived yesterday at Roosevelt Field, Mineola, in a Curtiss airplane piloted by Leo Chase. The plane left Buffalo on Tuesday and flew down by easy stages. The reason for the use of the air instead of the railroads was given as the freight embarge and longshoremen's strike. From Rosseveit Field the freight was taken to New York by ma-

BERNSTORFF TELLS OF PEACE MOVES

Says American Opinion Was Turned Against Germany Because of Belgium.

By the Associated Press Berlin, Oct. 22 .- The examination of Count von Bernstorff, former German ssador at Washington, was reamed to-day by the committee investirating the responsibility of German ofcials for the war. Former Chancello von Bethmann-Hollweg, Dr. Karl Helfferich and Alfred Zimmermann again present. Replying to one of the Deputies, Count von Bernstorff declared

rendered all negotiations in America In answer to a question asked by Prof. Schaefer, the former Ambassador

said: "American opinion was primarily turned against Germany on account of Belgium. I have no doubt that in any cace mediation the complete restors ion of Belgium would have nanded in any circumstances." Replying to the chairman he said: If we had declared that we would not annex Belgium President Wilson would have regarded that as a sufficient basis

Mr. Williams declared he received two for beginning his peace negotiations. Peace Overtures Started.

Count Bernstorff, referring to the ace overtures contained in the memor written by Emperor William Oc randum had been telegraphed to him for transmission to Col. House because it had not been finished in time to be handed to Ambassador Gerard before sailing. (The Ambassador returned to America for a short vacation in the autumn of 1916.) Count Bernstorff said that the document referred to a conversation between the Emperor and Am bassador Gerard, held at general head-quarters at Charleville, France, in which he possibility of peace overtures by the United States was discussed, and added the memorandum had made an im-ion in Washington in that it demenstrated that Germany was ready promptly to accept the mediation of the

At the time, continued Count Bern-morff, the Presidential campaign in the United States precluded President Wil-son from attempting any definite action. Count Bernstorff uttered an emphatistructions in the sense that he was to nfluence or encourage President Wilso and Col. House to undertake a peace move in favor of Germany. He also answered affirmatively answered affirmatively a question whether President Wilson was ready to to these wishes and institute a general action for peace even without essing Germany's concrete conditions

Rintelen was a German agent. But the United States had deported him on information that he had supplied Boy-Ed with \$500,000 for sabotage.

Mr. Williams also had a talk on the telephone with Dempsey's partner, Aber, and Aber professed to be ignorant of the sugar's whereabouts. A talk with Mr. Dunn of the Irving National Bank's credit department resulted in the information that Mr. Dunn was acting as an individual and not for the bank in Col. House to establish an embarge on and contradict self-confessed crowledge.

certain goods which were being sout to the Entente. He quoted President Wilson as saying he was unable to do son as saying he was unable to do so because of the great growth of trade-and the American demand for world trade. But he later threw a bomb at the U-boat adherents by telling them that President Wilson had arranged with England to have certain articles taken off the blacklist, and that the blockade would thus be partially relieved. The plan was spoiled early in January, 1917, when the unrestricted U-boat warfare

made warse.

WALLSTEIN FIGHTS **CRAIG'S STATEMENT**

Former Commissioner Denies City Won Victory in Injunction Suit.

SAYS COURT RULED "NO

timate Board's Right to Issue Stock.

Leonard M. Wallstein, former Co missioner of Accounts, gave the lie to Comptroller Charles L. Craig yester-day after the Comptroller had issued a statement in which he said the decision of the Court of Appeals rendered on Tuesday affirming the injunction issued by Supreme Court Justice James C. Cropsey restraining the city authorities from issuing \$4,500,000 of corporate stock to pay the expenses of the Public Service Commission was a victory for

The question bearing directly on this phase of the issue that was submitted to the Court of Appeals by the Appellate

"Has the Board of Estimate and As portionment of the city of New York power to authorize the issuance of corporate stock of the city of New York to the amount of \$4,500,000 under the resolution of February 7, 1919, and to apply the proceeds thereof as provided by said resolution?"

In a statement on the decision issued yesterday Comptroller Crais said the

Deputies, Count von Bernstorff declared that there was one German-American controversy after another throughout 1916, and even until May 4, 1916.
"Every time we thought we had attained aomething," he said, "there was another sinking or some other incident tending to aggravate the position, which rendered all negotiations in America.

In a statement on the decision issued yesterday Comptroller Craig and the question was "Yes."

Justice Cropsey's original injunction was issued in a taxpayer's action brought by William Jay Schieffelin who shown a copy of the Comptroller's statement on the decision issued yesterday Comptroller Craig and the question was "Yes."

ment Mr. Wallstein said: "I am reluctant to believe that Comp-troller Craig intended deliberately to misstate the decision of the Court of Appeals. The Comptroller says that the court answered yes to the first question submitted by the Appellate Division.
"The official report of the court's decision as published in the Low Journal to-day and as contained in the telegram

which I have received from the clerk of

the court very clearly shows that the court answered 'No' to that question."

Comptroller Craig's statement with re "The city of New York gained sweeping and conclusive victory in the Court of Appeals yesterday in the at-tack made upon it last February by the Citizens' Union, in regard to the refund-ing of special revenue bonds issued to pay for subway construction by issuing in lieu thereof rapid transit corporate

stock to meet the moneys required for "The Court of Appeals held that the city has absolute power to authorize the issuance of corporate stock, as provided in the resolution of February 7, 1919. in the resolution of February 7, 1919, and to apply the proceeds as provided by such resolution. The court further held that the procedure followed during the plebiscite may be taken for prohibition fusion administrations in regard to such matters was erroneous and illegal and that the present Board of Estimate and Apportionment has power to correct the improper action of the fusion adminis-

MARSDEN GUILTLESS,

Lieutenant - Commander Christopher Marsden made a sweeping denial of the charges of grafting yesterday at his court-martial in the Brooklyn navy yard. He became angry under continued cross-txamination, and when he was ramined to the first open and the Marconi company. One share of the American Marconi Company, worth \$5 par value, will be exchanged for one share of the common of the Radio Corporation.

It is planned to sell all the American Marconi company. The exchanged for one share of the American Marconi company. Company, worth \$5 par value, will be exchanged for one share of the American Marconi company. Company, worth \$5 par value, will be exchanged for one share of the American Marconi Company. The exchanged for one share of the American Marconi company. Company, worth \$5 par value, will be exchanged for one share of the American Marconi company. Company, worth \$5 par value, will be exchanged for one share of the common of the and one share of the common of the marconi company. Company, worth \$5 par value, will be exchanged for one share of the common of the marconi company. The properties of the preferred and one share of the common of the exchanged for one share of the preferred and charges of grafting yesterday at his court-martia; in the Brooklyn navy yard. examination, and when he was reminded of the testimony of Louis Markowits that Markowitz had given him \$200 in

agent of the German Government, were named in to-day's testimony. Count von Bernstorff admitted that Von Papen and Boy-Ed had been recalled at the request of the United States for sabotage and efforts to cause incendiarism. Von Bernstorff had to send cable messages three times before receiving Secretary von Jagow's denial that Von Rintelen was a German agent. But the

case, and the request was granted.
then asked leave to introduce in declarations record a letter he had sent to the S from von Bernstorff to the effect that tary of the Navy giving his reasons for the German peace offer, in reply to inability to exercise unbiased judg-

"I deem it my duty to inform the De partment that it will require unimpeach able evidence to convince me of this offi cer's guilt. From my previous knowledge of him, should he go on the stand and contradict self-confessed crooks all testifying under oath, I should believ

SIR IAN MALCOLM NOT COMING.

No Successor Named to Col Thesiger, British Consul Here. London, Oct. 22 .- There is no foundation for a published report that Sidation for a published report that Sir Ian Z. Malcolm, who accompanied the War Commission, headed by Arthur J. Balfour, to the United States in 1917, will succeed Col. Wilfred G. Thesiger as Consul-General at New Yor

Yesterday's Fires

The Associated Press is officially in-ormed that no decision has been

reached as to who will succeed Co Thesiger, who resigned recently on account of illness, but that Sir Ian wil

P.M. 12:30-1414 5th av.; Pembleton Hat Unknow Company ... Unknown
2:20-545 E. 15th st.; American
Pastry Company. ... Trifling
4:10-575 E. 165th st., The Bronx,
vacant let; Samuel Lipschitz Trifling
5:05-195 Columbus av.; Gustave Size 198 Columbus av. Trifling Size 198 7th av.; Fishbin, Hower A. Co. Trifling Size 288 St. Ann's av. The Bronx; Louise Gobelman Trifling

Chicago, Oct. 22.—Charges that the "Big Five" packers are attempting to control the entire food industry in America were made to-day before the Interstate Commerce Commission by Attorney Clifford Thorne, representing the National Wholesale Grocers' Associa-

Attorney Thorne is chief counsel for the association in its fight against al-leged privileges granted by the rail-roads to the packers in the transporta-tion of food products other than fresh

"To-day the Swift, Armour, Wilson Morris and Cudahy interests contro over three-fourths of the business of over three-fourths of the business of interstate slaughterers throughout the United States." Thorne declared. "The activities of these five packers, especially of Armour & Co., is reaching out in the food industry in all directions—into the production, manufacture, distribution and in some notable examples into retail stores and hotels. They seem to want to control the food industry from the time the seed germinates until the finished product enters the mouth of the consumer. mouth of the consum

"In this case we are asking that you shall order the railroads to deny to packers the privileges of loading in their refrigerator and peddler cars those foods which are not the product of foods which are not the product of slaughtered animals requiring refrigera-

Bill to Be Submitted Prohibiting Smoking and Playing Cards in Dominion ..

By a Staff Correspondent of THE SUN OTTAWA, Ont., Oct. 22.—The Government proposal for purchase of the Grand Trunk capital stock is the objective of the opposition artillery in the big Parliament debate, and it was reenforced to-day by Brig.-Gen. McLean of St. John, N. B., a Government supporter on most questions. He anticipates the arbitrators will allow inflated values to the Grand Trunk far in excess of real value Following a long speech, D. D. McKen-sle, acting leader of the opposition of food amendment to the esolution, asked to defer action until next session

The majority of 258,000 for prohibi-Ontario is being steadily increased by returns from the rural districts. There is no longer doubt about passage of the two prohibition measures before Parliament. One provides better legal means for prosecution of offenders living in other provinces from that in which the offense may be committed; the other aims to provide for prohibi-tion of importation and manufacture in any province through a plepescite

of tobacco, playing cards and wearing of feathers of wild birds. Revised returns from Ontario show that the United Farmers hold 45 seats, the Liberals 28, Conservatives 25, Labor 31, with one soldier and one Independent

RSDEN GUILTLESS,
SAYS COMMANDER
al Officer Denies Graft

STORM of Court Montial

Liberal.

It is acknowledged here that the Ontario result has killed the proposal for a Unionist party. The Conservative party will survive along with the Liberal Unionist clement will go to one side or the other, but will not return as a distinct proup.

TORONTO, Oct. 22.—The strongest party in the new Provincial Assembly, accordfor peace.

Von Papen and Boy-Ed.

Capt. von Papen, the former German illitary attache at Washington: Capt. Karl Boy-Ed, former naval attache, and Franz von Rintelen, an alleged escret agent of the German Government, were naved in to-day's testiment of the German Government, were naved in to-day's testiment of the German Government, were naved in to-day's testiment of the German Government, were naved in to-day's testiment of the German Government, were naved in to-day's testiment of the German Government, were naved in to-day's testiment of the German Government, were naved in to-day's testiment of the German Government, were naved in to-day's testiment of the German Government, were naved in to-day's testiment of the German Government of the German Government, were naved in to-day's testiment of the German Government of Michael Schear in the new Provincial Assembly, according to complete returns from Monday's testiment from Monday's in the new Provincial Assembly, according to complete returns from Monday's testiment from Monday's testiment

> Independent Liberal, giving them a ma jority of five. Hartley Dewart, leader of the Liberals, as head of the last official opposition, probably will be first called upon to form a ministry, but it is con-sidered unlikely that he will be able to form any combination which would give him a majority in the House.

WOMAN DIES IN AMBULANCE. Collapses When Arraigned

Vagrancy Charge. During her arraignment in Woman's
Day Court yesterday before Magistrate
Marsh a woman, later identified as
Emma Jones, 44, of 225 West Fortyfirst street, charged with vagrancy suddenly collapsed. Attendants called an
ambulance, but on the way to the hospital she died.

Marconi Company.

Marconi Company.

Marconi Company.

Marconi Company.

As an argument for the support of the
plan the directors urge the opposition
of the Government to the British holdings of stock in the American Marconi
Company. Such foreigners who retain The body was taken to the Charles treet police station.

Death was due to natural causes, ac-

cording to the police report

OF FOOD CHARGED AMERICAN RADIO TO Lawyer Says "Big Five" Are ABSORB MARCONI CO.

Active Competition With Cable Lines to Europe Will Be Established.

GENERAL ELECTRIC DEAL

Will Provide Capital for Fi nancing New Concern-No Public Stock Offering.

Plane for the establishment of rangatiantic wireless system that wil compete with and not give merely a supplementary service to that of the cable companies were announced yes-The Radio Corporation of America has been formed with the backing of the General Electric Company to absorb the American Marconi Company. The plan is dependent upon th approval of the stockholders of the American Marconi Company.

The war, which led to a high degras of reliability in the workings of the long distance wireless, put a pressure on means of communication which is the case of the cable lines in the Atlantic threatens to result in a permanent congestion of messages, and in-volved temporary hindrances to the private wireless enterprise. An aftermath of war has been a demand from commercial interests that wireless facilities shall be developed on a scale commensurate with the need for means of rapid communication .

The plan of organization of the Radio Corporation of America is for an al-liance of the American Marconi Comwith the General Electric Com pany. A substantial block of shares in the American Marconi Company that are now held by the British Marconi Com pany will be acquired by the General Electric Company and will be part of its contribution to the capital of the Rad The new company will be exclusively American. An agreement is in negotia-tion with the British company by which the Radio Corporation will obtain en-

larged wireless facilities abroad and America. Because of patent agreement the operations of the American Marcon been limited to the Company have been limited States and to Cuba. The directors of the American Marcon Company have approved the plan and appealed to stockholders to vote it into operation. A stockholders meeting will be held November 26.

The plan of financing provides for authorization of 5,000,000 shares of pre-ferred 7 per cent. stock at \$5 a share and 5,000,000 shares of common stock without par value. The stock classes are to have equal voting power, share for share Of this stock 135,174 shares of the pre-ferred and 2,000,000 shares of the common have been issued to the General Electric Company. The General Electric Company has ap-

propriated \$2,500,000 for the benefit of the Radio Company. Part of this will be used in buying American Marconl shares held by the British Company. Each stockholder of the American Marconi Company will-have the privilege of exchanging his stock, par for par, for preferred stock of the Radio Correction preferred stock of the Radio Corporation and, in addition, will be given shares of the new company equal in number of his holdings in the Marconi company.

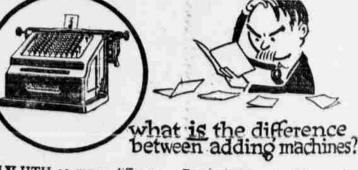
arising from alleged illegal use of Mar-

The plan does not involve the complete liquidation of the American Marcon company but does radically change the scope of its operations and relieves i of the conduct of wireless communication and the sale of wireless devices. The capital provided by the proposed financing is believed to be ample for the fullest development of the company

within its sphere. No offer of stock on the market is contemplated. The research laboratories and the en-gineering force of the General Electric ompany has been at work for a num ber of years on radio matters. Apparatus of great value was developed and turned over to the Government during the war. The new company will have the technical assistance of the General Electric Company and will retain the nighly specialized staff of the American

stock in the Radio Corporatio

issued to them certificates that are to be known as "foreign share certificates"



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